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C O N F I D E N T I A L KUWAIT 003943

SIPDIS

LONDON FOR TSOU
DEPARTMENT OF ENERGY FOR IE
EB/ESC/IEC FOR GALLOGLY, DOWDY
DOE FOR M.WILLIAMSON

E.O. 12958: DECL: 08/30/2015

TAGS: [ECON](#) [EPET](#) [MOPS](#) [KU](#) [IZ](#)

SUBJECT: KUWAITI ENERGY MINISTER ON OPEC INTENTIONS,
EXPANSION OF NORTHERN FIELDS, INVESTMENT IN U.S. REFINERY
CAPACITY

Classified By: Ambassador Richard LeBaron for reason 1.4 (b)

1. (C) Ambassador spoke to Kuwaiti Energy Minister Shaykh Ahmed Al-Fahad Al-Sabah on 5 September. Most of the conversation was about ideas on implementing the generous Kuwaiti donation for hurricane relief (see septel), but Ambassador took the opportunity to solicit Shaykh Ahmed's views on the upcoming OPEC meeting in Vienna. The Minister said he was very encouraged by the Iranian announcement Sunday of its intention to increase production by 500,000 to 1 million barrels per day. He noted that Iran is usually the hard case in OPEC, but that a lot of OPEC countries are pressing Iran to increase production, and pressing to increase their own quotas. He expected that "everybody" in OPEC wants to be constructive at the Vienna meeting.

Northern Oilfields Project

2. (C) Ambassador asked for the Minister's view on whether the GOK has the National Assembly votes to pass in the upcoming National Assembly session the huge northern oilfields expansion project, called Project Kuwait. Shaykh Ahmed said he was "very confident" that they have the necessary votes and that new names are joining the "yes" column on a regular basis. (Note: This is consistent with what we are hearing from all sources in Kuwait.)

Investment in U.S. Refinery Capacity

3. (C) Ambassador recalled for the Minister the conversation during the Prime Minister's recent visit to Washington on Kuwaiti willingness to invest with U.S. firms on expansion of U.S. refinery capacity. Shaykh Ahmed replied that Kuwait is ready and willing to "work with U.S. main companies supported by you" in order to build new refinery capacity or upgrade existing capacity. He said he had not heard from anyone on the U.S. side about this idea since the Washington conversation on July 1. Ambassador remarked that the loss of refinery capacity due to the hurricane might spur some fresh thinking in the U.S. about the need to break the logjam on refineries, and that we continued to appreciate the Kuwaiti willingness to be involved.

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